

1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION
3 HONORABLE JOHN F. WALTER, U.S. DISTRICT JUDGE
4

5 UNITED STATES OF AMERICA,)
6 PLAINTIFF,) CASE NO.
7 vs.) CR 20-00326-JFW
8 RAYMOND SHE WAH CHAN,)
9 DEFENDANT.) PAGES 1 TO 58
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13 REPORTER'S TRANSCRIPT OF
14 TRIAL SETTING CONFERENCE VIA ZOOM
15 FRIDAY, DECEMBER 4, 2020
16 8:09 A.M.
17 LOS ANGELES, CALIFORNIA
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Special Agent Andrew Civetti

1 LOS ANGELES, CALIFORNIA; FRIDAY, DECEMBER 4, 2020

2 8:09 A.M.

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5 THE CLERK: Calling CR 20-326A-JFW, United States
6 of America versus Raymond She Wah Chan.

7 Counsel, please state your appearances.

8 MR. JENKINS: Good morning, Your Honor.
9 Mack Jenkins on behalf of the United States. Joining me off
10 camera and socially distanced is AUSA Veronica Dragalin,
11 AUSA Melissa Mills, and FBI Special Agent Andrew Civetti.

12 MR. BRAUN: Good morning, Your Honor.

13 Harland Braun, B-r-a-u-n, for Defendant
14 Raymond Chan who is also attending via Zoom.

15 THE COURT: All right. Good morning to all.

16 This matter is on the Court's calendar for the --
17 a Trial Setting Conference for Mr. Chan. Before we discuss the
18 dates that the Court has previously set in this action pursuant
19 to the Court's Criminal Trial Order as modified by
20 docket No. 63, I'm going to ask the Government to advise us of
21 what it expects to prove with respect to this defendant.

22 Although I am familiar with the nature of the
23 charges and the evidence based upon the original Indictment and
24 the extensive Trial Setting Conference that we had in August,
25 the filing -- the First Superseding Indictment, which was just

1 recently unsealed, expands the case obviously as to Mr. Chan.
2 And in its most recent notice of complex case, the Government
3 now estimates that it will take 20 to 25 days to try this case.

4 It appears that many of the names of individuals
5 and entities that were not used in the original Indictment,
6 because according to the Government, they were, quote,
7 "masked," they have now been unmasked and included in the First
8 Superseding Indictment which makes it a little easier to review
9 the allegations.

10 And I appreciate Government counsel's efforts in
11 filing the revised notice this week with respect to the names
12 of individuals and entities in the First Superseding
13 Indictment. However, I'm going to ask Government counsel to
14 rereview because I noticed that there were many entities and
15 names that are mentioned in the First Superseding Indictment
16 that were not included in the recent filing.

17 By way of introduction or beginning, the
18 Government has alleged in paragraph 15 that the defendant was
19 the general manager of the Los Angeles Department of Building
20 and Safety until about May of 2016 at which time he was
21 appointed by the mayor as the City's deputy mayor of Economic
22 Development, and he remained in that position until
23 approximately July of 2017 when he retired, and then he began
24 working with George Chiang, C-h-i-a-n-g, as a consultant and
25 lobbyist on behalf of various developers.

1 So I'm going to ask -- I assume, Mr. Jenkins, you
2 are going to speak for the Government this morning?

3 MR. JENKINS: That is correct, Your Honor.

4 THE COURT: All right. I'm going to ask you to
5 go through the Government's evidence with respect to the five
6 schemes that are alleged in the RICO conspiracy and the mail
7 fraud counts which include the L.A. Grand Hotel,
8 940 Hill Street, the Luxe Hotel, Project M -- which I guess has
9 not been unmasked yet; is that correct?

10 MR. JENKINS: That is correct, Your Honor.

11 THE COURT: -- and Businessman A who, my memory
12 serves me, is the cabinetmaker. And he has not been unmasked
13 yet; is that correct?

14 MR. JENKINS: Not publicly by the Government.
15 That is correct, Your Honor.

16 THE COURT: Okay. As I indicated, I'm familiar
17 with the evidence with respect to those schemes but primarily
18 as to the Co-defendant Huizar because he was the only defendant
19 named in the original Indictment. So I will then turn it over
20 to Mr. Jenkins.

21 As you indicated the last time, if you would
22 point out during your presentation the percipient witnesses and
23 especially those individuals who the Government believes are
24 going to provide testimony as percipient witnesses, namely, the
25 various cooperators that have entered pleas of guilty pursuant

1 to cooperation plea agreements.

2 I'm particularly interested in the -- when you
3 get to that point in time, the Synergy consulting fees that
4 were apparently, if I'm reading the First Superseding
5 Indictment correctly, were paid -- allegedly paid to Mr. Chan
6 during his tenure as the deputy mayor. Also, I'm interested in
7 an estimate as to the total amount that Mr. Chan has
8 apparently -- the Government's theory in terms of what he has
9 received in connection with the pay-to-play schemes.

10 So, Mr. Jenkins, I will hear from you.

11 MR. JENKINS: Yes, Your Honor.

12 Beginning with the five schemes, the first, as
13 the Court noted, charges part of the racketeering conspiracy in
14 which Mr. Chan is charged is the L.A. Grand Hotel bribery
15 scheme. Essentially this hotel is owned by a chairman named
16 Wei Huang, last name H-u-a-n-g. The allegations are -- the
17 Court is somewhat familiar with. This is the chairman who
18 ultimately took Jose Huizar on various luxury trips to
19 Las Vegas, Australia, and other locations.

20 It is alleged that he provided, that is,
21 Chairman Huang provided approximately \$800,000 in benefits to
22 Jose Huizar and, in addition, helped fund a \$600,000 loan that
23 ultimately served the purpose of resolving a sexual harassment
24 lawsuit against Jose Huizar. One of the reasons that conduct
25 is important is because, as alleged in the First Superseding

1 Indictment, Mr. Chan, Defendant Chan, is the introductory point
2 as he provided and facilitated the introduction of
3 Chairman Huang to Jose Huizar in or about 2013. That is
4 significant for various reasons including that the Indictment
5 also alleges the corrupt relationship between Chairman Huang or
6 Chairman Huang, H-u-a-n-g, and Huizar started shortly
7 thereafter.

8 It is also significant, the timing, because
9 around that same time period Defendant Chan, who had reached a
10 significant level of management, that is, the interim general
11 manager of the Los Angeles Department of Building and Safety or
12 LADBS, was proposed to be merged with another significant City
13 entity, that is, City Planning, around that time.

14 According to the defendant, as alleged in the
15 Indictment, there was some concern that that merger would
16 result in the elimination of Defendant Chan's supervision over
17 his department. Essentially that department would get subsumed
18 into City Planning. And the evidence is that is something that
19 Defendant Chan did not want to do, did not want to happen, and
20 enlisted the support of various people including
21 Council Member Huizar to, again, as alleged in the Indictment,
22 essentially overly simplistic but we believe supported by
23 evidence, helped save Defendant Chan's job as a management
24 level employee over LADBS.

25 In fact, that did result, meaning the proposed

1 merger did not occur. Defendant Chan ultimately went from
2 interim general manager to the permanent general manager. He
3 was very effusive and thankful to Jose Huizar for those efforts
4 and repeatedly stated so. And around that same time is when
5 Councilman Huizar was suffering a significant both public
6 relations and internal political issue related to a lawsuit, a
7 sexual harassment lawsuit, filed by a female staffer against
8 him that was, according to our evidence, potentially adversely
9 affecting Jose Huizar's re-election which would occur in 2015.

10 Our evidence is that Jose Huizar was essentially
11 desperate to resolve the lawsuit privately and confidentially
12 and quickly in order to maintain and help his re-election bid.
13 In that effort, he solicited and Defendant Chan offered to
14 provide assistance to help resolve that issue meaning resolve
15 it in a way that would continue to allow Jose Huizar to serve
16 his position and hopefully get re-elected.

17 The evidence is that Defendant Huizar and
18 Defendant Chan reached out to -- or initially it was
19 Defendant Chan reached out to Chairman Huang, that
20 Chairman Huang or Huang -- I will try to keep my pronunciation
21 consistent -- that is the same chairman who owned the
22 L.A. Grand Hotel and, again, who ultimately would be the
23 primary, as alleged in the Indictment, bribers of
24 Defendant Huizar.

25 Defendant Chan reached out to this chairman and

1 requested that he facilitate or help fund this lawsuit or help
2 pay the ultimate settlement. As alleged in the Indictment, the
3 chairman, through Defendant Chan, told Defendant Huizar
4 essentially, "How can I help? I will do whatever to help."
5 The help he ultimately provided was that \$600,000 collateral
6 that is alleged in the Indictment.

7 During that process, Defendant Chan served as the
8 go-between. That is, Chairman Huang does not speak English.
9 He speaks Mandarin. Defendant Chan would serve often as an
10 interpreter or go-between because he does speak Mandarin, and
11 he would be the person essentially negotiating the terms or
12 getting this collateral provided such that he was an integral
13 part of the process of ensuring that Chairman Huang provided
14 the \$600,000 to fund the lawsuit as requested by
15 Defendant Huizar and also requested by Defendant Chan, meaning
16 Defendant Chan made it clear that this was what he also wanted
17 the chairman to do. And ultimately the chairman did that.

18 Around the same time -- still on the
19 L.A. Grand Hotel scheme -- Chairman Huang was also making
20 several requests of Defendant Huizar. Issues had arisen at the
21 L.A. Grand Hotel. A couple that are alleged in the Indictment
22 are, one, the L.A. Grand Hotel -- I'm not sure if the Court is
23 familiar, but it's very close to the courthouse. It's a large
24 hotel that is in a very precarious position for Downtown L.A.
25 because there is very little parking. For a large hotel that

1 serves bar functions, social functions, in addition to actual
2 occupants commercially, it's in a difficult spot because there
3 is nowhere to park. So they had a parking lot dispute which
4 was significant for that reason meaning that parking was a
5 major issue for the chairman, and he solicited both
6 Defendant Chan's help and Defendant Huizar's help.

7 Defendant Chan also is aware of asks such as a
8 union issue that was occurring at the hotel or with the hotel
9 employees, and Chairman Huang through Defendant Chan solicited
10 again Jose Huizar's help. But, most significantly,
11 Defendant Chan was aware in his capacity as the LADBS general
12 manager and then later in his capacity as Deputy Mayor for
13 Economic Development.

14 Defendant Chan was intimately aware that this
15 chairman wanted to transform the L.A. Grand Hotel into a
16 77-floor tower which at the time -- and I think still today --
17 would be the second highest or the first highest tower west of
18 the Mississippi. Obviously that sort of project would involve,
19 in Jose Huizar's district, significant entitlements in order
20 for it to go forward.

21 At the time Defendant Huizar was both the chair
22 of the PLUM Committee and the city council member over the
23 district where the hotel was located. Defendant Chan
24 facilitated meetings in that regard with other City employees
25 and generally was aware that this was one of the -- was one of

1 Defendant Huang's goals for the hotel.

2 In addition --

3 THE COURT: All that is well and good with
4 respect to Defendant Huizar, but why is that -- how does that
5 show that Mr. Chan is somehow involved in the bribery scheme?
6 So far I haven't heard any evidence other than the fact that
7 Mr. Chan made an introduction to Chairman Huang. Then
8 Chairman Huang and Mr. Huizar entered into negotiations with
9 respect to the loan transaction which ultimately the \$600,000
10 was used to settle his sexual harassment lawsuit.

11 There has to be something that -- it seems to me
12 the Government's theory is that, in exchange for that
13 arrangement, Mr. Huizar took certain action favoring the
14 development or the entitlements to the L.A. Grand Hotel. But
15 so far we have Mr. Chan making introductions, being an
16 interpreter, and I don't see what his -- the evidence is with
17 respect to, one, his knowledge that Mr. Huizar was being asked
18 to take certain actions and his knowledge of what those actions
19 were in exchange for the various entitlements or -- I guess the
20 bribes that were being paid to Mr. Huizar.

21 I guess the first question is did Mr. Chan
22 receive any money from Chairman Huang in connection with the, I
23 take it, votes or favorable treatment that was received by
24 Chairman Huang and his company? I don't see any allegations of
25 that in the Indictment.

1 MR. JENKINS: That is correct because there is no
2 allegation that Defendant Chan received any money related to
3 the L.A. Grand Hotel scheme. At this point there are no
4 allegations that he received money. The allegation is that he
5 aided and abetted the bribery scheme between
6 Council Member Huizar who received money, \$800,000, and
7 Las Vegas and other trip benefits in addition to the 600,000
8 collateral and that the way he received that money, that is,
9 the way Defendant Huizar received that money, was primarily
10 through Defendant Chan who at the time was a City employee who
11 also was intimately involved with Chairman Huang.

12 He knew that Chairman Huang, according to our
13 evidence, wanted something from Defendant Huizar. In short, he
14 wanted lots of things. The most significant thing was to
15 redevelop and transform his hotel.

16 THE COURT: Well, I understand that. But
17 Mr. Chan wasn't -- I don't know. Was Mr. Chan involved in any
18 of the Las Vegas trips?

19 MR. JENKINS: No. That's why he is alleged to
20 have aided and abetted a bribery scheme between Jose Huizar.

21 THE COURT: How do you aid and abet a bribery
22 scheme with a simple introduction of Mr. Huizar, who needs
23 money, to Chairman Huang? You have to have some evidence, it
24 seems to me, that Mr. Chan knew that the result of that loan
25 transaction was going to be some favorable treatment. And,

1 more importantly, what's the evidence that Mr. Chan knew that
2 Mr. Huizar was -- you know, walked away, for example, from
3 \$65,000 worth of chips that had been provided to him by
4 Chairman Huang during the Las Vegas trips?

5 MR. JENKINS: Well, the Court described multiple
6 ways that Defendant Huizar was bribed. Defendant Chan is
7 alleged to aiding and abetting the bribery scheme relating to
8 the payment of the --

9 THE COURT: I guess the more direct question is
10 what is your evidence -- what percipient witnesses do you have
11 with respect to Mr. Chan and his alleged aiding and abetting
12 the bribery scheme with respect to Mr. Huizar? So far it
13 sounds to me like -- albeit, he's the head of the
14 L.A. Department of Building and Safety -- that he's simply
15 making introductions to -- introductions of various people
16 which I assume is nothing out of the ordinary when you have a
17 developer who is trying to develop a piece of property in
18 Los Angeles.

19 MR. JENKINS: That's correct. If that's where
20 the case ended, I would agree with the Court. But that was the
21 first fact that was alleged. It was the subsequent conduct.
22 Specifically, the Court asked what is the evidence for the
23 percipient witnesses? What is Defendant Chan's knowledge?
24 Defendant Chan is the one who asked for and facilitated the
25 bribe payment to Defendant Huizar from Defendant Huang related

1 to the \$600,000.

2 THE COURT: You mean Mr. Chan called up Mr. --
3 Chairman Huang and said Mr. Huizar needs \$600,000. If you
4 arrange this \$600,000 loan or, as you characterize, the bribe
5 then Mr. Huizar is going to do certain things for you?

6 MR. JENKINS: Our evidence would be that was
7 their agreement, yes. Whether they had that --

8 THE COURT: Who is going to testify to that
9 agreement? You have Chairman Huang who is a co-defendant in
10 this case; correct?

11 MR. JENKINS: Yes, Your Honor. I was saying most
12 bribery agreements are not that explicit. Of course the
13 agreement, as how the Court described it, no one I would expect
14 is going to say that there is that specific individual
15 conversation. However, multiple witnesses, but most
16 specifically the communications between Defendant Chan,
17 Defendant Huizar, between Defendant Huang including text
18 messages and e-mails will be consistent with that Government
19 theory meaning that, yes, it was Defendant Chan who reached out
20 to Chairman Huang to create and become the architect of this
21 payment scheme, that it was Defendant Chan who followed up with
22 both sides of the participants of the scheme, both
23 Defendant Huizar and Defendant Huang, to ensure that this deal
24 got done meaning that the payment was provided, that
25 Defendant Huang did provide it.

1 Ricky Zheng, who is an employee of the chairman,
2 will testify to that. George Esparza will testify again to
3 these general agreements and the conversations that they were
4 having on their end, meaning Jose Huizar was having
5 conversations with Defendant Esparza saying --

6 THE COURT: So let me -- so what did Huizar do in
7 order to -- in exchange for the \$600,000 and the casino chips
8 and all the other items that he received allegedly as a bribe
9 with respect to the L.A. Grand Hotel? And how is Mr. Chan
10 involved in those, if he was, those votes?

11 MR. JENKINS: Sure. So what Defendant Huizar
12 did, according to the evidence in the Indictment, is that he
13 agreed to help that project, that transformation. That is,
14 the --

15 THE COURT: Did he do -- go ahead.

16 Ultimately, as my memory was, the FBI served the
17 search warrant and basically shut down the development of the
18 hotel unless I'm misremembering.

19 MR. JENKINS: I think you're conflating two
20 memories although your conclusion is still accurate, meaning
21 Jose Huizar did not vote on anything related to the
22 transformation of that hotel because at that point Jose Huizar
23 was publicly under investigation. However, the Indictment
24 alleged that there was an agreement prior to that, and that
25 agreement was known to the parties including Defendant Huizar,

1 Defendant Huang, and Defendant Chan. So the Court is correct
2 that, if there is a vote that we could show the Court to that
3 Defendant Huizar put -- I don't know if they use a gavel -- but
4 he voted on something related to the project, that certainly
5 would be significant.

6 Unfortunately for the Government's efforts, we
7 executed multiple search warrants right around that time. And
8 so obviously at that point neither side could use Huizar at
9 that point. But the conversations up to that point, as will be
10 testified to by Ricky Zheng, George Esparza, but also most
11 specifically the communications where Defendant Chan was
12 brokering these deals and in his role -- his City roles he was
13 aware of essentially what Defendant Huang wanted meaning what
14 needed to be done at the L.A. Grand Hotel to achieve this dream
15 of transforming it into the tallest building west of the
16 Mississippi because Defendant Chan was in those meetings.

17 Defendant Chan worked for the City. He's a
18 career city server. He knows that, to transform the
19 L.A. Grand Hotel, you're going to need a lot of City help, and
20 the biggest help that you can be provided would be through the
21 PLUM Committee and through the council member whose district
22 your project is. So Defendant Chan's involvement or knowledge
23 we think is clear.

24 The Court, again, is accurate that we're not
25 alleging right now that Defendant Chan from that particular

1 scheme took any money directly.

2 THE COURT: Okay. So are we done with the
3 L.A. Grand and move on to 940 Hill?

4 MR. JENKINS: Yes, Your Honor. The 940 --

5 THE COURT: Which also now has been included
6 as -- the LLC has been included as a defendant as well as
7 David Lee. He's also been named as a defendant in the First
8 Superseding Indictment. That was formerly known as the masked
9 Development C; correct?

10 MR. JENKINS: Yes, Your Honor.

11 THE COURT: What is Mr. Chan's involvement,
12 according to the Government's theory, with the 940 Hill Street
13 development?

14 MR. JENKINS: This one will be shorter because
15 there is no allegations, no agreements, no conduct. This one
16 focuses primarily at least as to the defendants Defendant Lee,
17 his LLC, and Defendant Huizar.

18 THE COURT: So Mr. Chan, according to the
19 Government's theory, does not have any direct involvement or
20 indirect involvement in the 940 Hill bribery scheme?

21 MR. JENKINS: That is correct, Your Honor.

22 THE COURT: Okay. So then that takes us to the
23 Luxe Hotel scheme.

24 MR. JENKINS: Yes, Your Honor.

25 THE COURT: And Mr. Chan -- is there any alleged

1 involvement in that scheme?

2 MR. JENKINS: Yes, Your Honor.

3 THE COURT: Okay. What's the Government's
4 theory? Give me a minute here. Let me turn to page 30 --

5 MR. JENKINS: I believe 37, Your Honor.

6 THE COURT: 37 and 38. Okay. Why don't you
7 briefly tell us what the Government's theory is with respect to
8 Mr. Chan.

9 MR. JENKINS: Yes, Your Honor. So this one I
10 would describe -- we would describe it as consistent with the
11 L.A. Grand Hotel scheme in the sense that Defendant Chan's role
12 was as the introductory person, the connection between the
13 council member Defendant Huizar and a Chinese-speaking Chinese
14 national chairman of Hazens Real Estate Group who owns the --
15 and owns the Luxe Hotel in Downtown L.A. which is in
16 Defendant Huizar's district and was also seeking a major
17 redevelopment project or process which would go through PLUM
18 chaired by Defendant Huizar and ultimately city council.

19 In addition -- and this is where --

20 THE COURT: Let me go back because your voice cut
21 out a little bit. Let's first take the timetable.

22 Are the activities that you are alleging against
23 Mr. Chan, did they occur during either his tenure on the
24 Department of Building and Safety or as deputy mayor, or did
25 they occur after he retired in July of 2017?

1 MR. JENKINS: Yes, Your Honor. All three. So
2 the introduction is approximately 2014 when Defendant Chan was
3 a higher up at Department of Building and Safety.

4 THE COURT: And who did he introduce to -- I have
5 my notes. So I don't want to -- I don't want to unmask some of
6 these individuals, and I can't -- I guess they are alleged in
7 the Indictment.

8 So we have the principals of the Luxe Hotel are
9 the -- the last name is Yuan, Y-u-a-n.

10 MR. JENKINS: Correct.

11 THE COURT: We have two Yuans. There is another
12 Yuan. I think it's a different one. It's the Chairman Yuan,
13 which the first name is F-u-e-r.

14 Is that correct?

15 MR. JENKINS: That is correct, Your Honor. To
16 clarify, the prior Yuan is the LLC that owned the Luxe Hotel.
17 So that is actually the LLC where F-u-e-r Yuan, Y-u-a-n, is the
18 person or the chairman.

19 THE COURT: Okay. So he's the chair. So let's
20 go back to the beginning.

21 So Mr. Chan is alleged to have introduced
22 principals of the Luxe Hotel, LLC, which the chair -- so who
23 did he introduce?

24 MR. JENKINS: Yes. So he introduced
25 Chairman Yuan -- I believe it's pronounced Y-u-a-n --

1 Chairman Yuan to Defendant Huizar. That chairman -- we will
2 call him the Hazens chairman for a reference. Hazens is the
3 Chinese mega-development company that owns the LLC. That is
4 J-i-a Y-u-a-n. So that is the LLC owned by Hazens' parent
5 company, and Chairman Yuan is the chairman who owns essentially
6 all of that.

7 THE COURT: So what was the -- what was the
8 purpose of the introduction of the chairman by Mr. Chan to
9 Mr. Huizar?

10 MR. JENKINS: I don't know the specific purpose
11 at that point. The context was that Defendant Huizar was at
12 this point someone who Defendant Chan was very close to.
13 Defendant Chan was also close to many Chinese development
14 companies. Again, Chairman Yuan or the Hazens chairman speaks
15 primarily Mandarin. Does not speak English. Defendant Chan,
16 again, as a bilingual speaker, was someone who made
17 introductions. And Defendant Chan, again, without trying to
18 gain his intent at that time, it is clear one of the things he
19 did was connect Chinese companies to Defendant Huizar.

20 THE COURT: What's wrong with that?

21 MR. JENKINS: That alone absolutely --

22 THE COURT: I mean, if a Chinese developer wants
23 to build a project or rehab a project and it happens to be in
24 Jose Huizar's district, doesn't it make sense that Mr. Chan
25 would introduce those Chinese developers to the councilman who

1 happens to be -- preside in the district where they want to
2 develop property?

3 MR. JENKINS: Yes. That alone seems like
4 Defendant Chan is doing his job. Great. The problem, of
5 course, is what happens afterwards.

6 THE COURT: Okay. Well, let's get to the
7 afterwards.

8 MR. JENKINS: Yes. So the most significant
9 portion is beginning on overt act 131. Essentially what is
10 alleged is there are different ways -- excuse me. There are
11 different ways that the Indictment alleges that Hazens provided
12 benefits to Defendant Huizar to help with the Luxe Hotel
13 project. One of the ways are consulting fees that are
14 described in subparagraph B that Defendant Chan is not alleged
15 to be involved in. So I'm going to skip --

16 THE COURT: Okay.

17 MR. JENKINS: -- to C which begins on page 45.
18 And this paragraph -- these sections describe how
19 Defendant Chan, again, was privy to information, sort of the
20 role -- vitality -- the role that Defendant Huizar played in
21 this project meaning that he was the person that the Hazens
22 company really needed to get on their side to make their
23 project happen.

24 And at this time we allege -- now we are moving
25 forward to around the 2017 time. So we are jumping from around

1 2014 when the introduction is made. All of this time Hazens is
2 going through this redevelopment process. It's a slow process
3 often. It was particularly slow here.

4 And there was the evidence, as alleged in the
5 Indictment, that Chairman Yuan, the Hazens chairman, was
6 concerned, to put it diplomatically, about the case of this
7 redevelopment project and that he wanted essentially it to go
8 faster. Defendant Chan was aware of this and one of the people
9 that was attempting to make it essentially go faster meaning
10 that, to put the time frame, I think before the Court began
11 this inquiry.

12 In I believe May of 2016 up to that point,
13 Defendant Chan was at some various levels of significant
14 management over LADBS. So the Hazens process is going through.
15 Defendant Chan appropriately, as far as we know, was aware of
16 the Hazens project. He had a relationship or connection with
17 Chairman Yuan that he connected with Defendant Huizar. At some
18 point, around May 2016, Defendant Chan's position, he's
19 promoted or appointed from his LADBS manager position to Deputy
20 Mayor for Economic Development in around May of 2016, a
21 position he holds until around July of 2017. So a little over
22 a year.

23 During that whole time, again, the Hazens's
24 redevelopment process with the Luxe Hotel is going on slowly,
25 sluggishly according to the chairman, and it's wanted -- he

1 express a strong interest in wanting it to go faster.

2 THE COURT: Expresses that interest to who?
3 Mr. Chan?

4 MR. JENKINS: Yes, Your Honor. Mr. Chan.

5 THE COURT: All right. Well, that's not
6 unremarkable, is it, if you've got investment and Mr. Chan is
7 the head of building and safety, to call him up and say is
8 there anything I can do to move this along faster?

9 MR. JENKINS: Again, I don't think that is
10 unusual at all and in a vacuum seems like an appropriate
11 question. The who you make that to is sometimes an issue, but
12 ultimately it's what's done as a result. But also, of course,
13 it provides Defendant Chan the knowledge and notice that
14 Defendant Yuan has a motive to, again, alone not an illicit
15 motive, to increase the speed of the project.

16 THE COURT: Well, there is nothing wrong with
17 that. It's not rocket science to figure out if somebody has a
18 project that is not moving as quickly as the developer might
19 like, that they're going to look for ways in order to move it.

20 MR. JENKINS: Absolutely. However, what it does
21 is use the opposite example. If Chairman Yuan was satisfied
22 with the speed of the project, which occasionally happens in
23 development projects, and never reached out to anyone about his
24 concerns, that would undermine a Government motive that there
25 was a need to bribe anyone at any time.

1 THE COURT: But I take it that -- I don't know
2 the scope of the responsibilities in a Deputy Mayor for
3 Economic Development, but I assume that one of the
4 responsibilities would be to promote development in
5 Los Angeles. And if you have a Chinese developer who is
6 unsatisfied with the progress at which a -- their development
7 is being approved by the City, that that would not -- that
8 would not bode well for other Chinese developers to want to
9 invest money in Los Angeles if they're simply going to get tied
10 up in the bureaucratic processes trying to get their projects
11 approved.

12 So it would seem to me it would be consistent
13 with Mr. Chan to want to help this particular development so it
14 didn't have the detrimental effect on any future consideration
15 by Chinese developers or any other type of developer to go to
16 some other jurisdiction and build their buildings.

17 MR. JENKINS: Again, the Court's assessment is
18 100 percent accurate in that vacuum. The problem here is that
19 Defendant Chan is alleged to have also agreed with the Hazens
20 consultant to a bribery scheme to facilitate that enhancement
21 of Chinese development which is what makes it illegal.

22 THE COURT: And who did he agree with?

23 MR. JENKINS: Co-defendant George Chiang,
24 Co-defendant Jose Huizar, and co-defendant -- not co-defendant.
25 Co-defendant George Chiang and Co-defendant Jose Huizar.

1 George Chiang was the consultant for the --

2 THE COURT: And the agreement was, Mr. Huizar,
3 you accept bribes and vote to move these developments along?

4 MR. JENKINS: That is the summation of the bribe.
5 But, of course, again, there is no explicit conversation like
6 that. But that is the point of the bribe, I would say. That
7 is the --

8 THE COURT: Well, obviously it's the point. But
9 that jumps over a number of -- there has to be a number of
10 hurdles that has to be jumped over. One, that Mr. Chan knew
11 that by introducing these developers to the councilman who was
12 responsible for their various districts, that that was going to
13 result in the payment of a bribe in order to enhance or promote
14 or speed up the development. I just don't know what that
15 evidence is.

16 MR. JENKINS: To clarify, that is not the
17 allegation.

18 THE COURT: Okay.

19 MR. JENKINS: The context is that Defendant Chan
20 knows these individuals, but there are several overt acts
21 afterwards that express the agreements.

22 THE COURT: Okay. Well, let's get to those. I'm
23 looking for the -- obviously this Indictment is over 100 pages
24 long, and I slugged through it as best I can. But I didn't see
25 what I will characterize as smoking gun evidence that Mr. Chan

1 was doing whatever the Government has alleged he was doing
2 other than the introductions that he was doing. Anything else
3 that would give rise to his becoming a member of the RICO
4 conspiracy?

5 So far he hasn't financially -- it doesn't appear
6 he has financially benefited from any of this although he is
7 apparently indebted to Mr. Huizar for preventing the merger of
8 the Department of Building and Safety with the other agency.

9 Go ahead. I'm still waiting for the smoking gun.

10 MR. JENKINS: And I'm always waiting for the
11 smoking gun, Your Honor.

12 Here I would say we have significant
13 circumstantial and direct evidence of, one, I would disagree
14 with Your Honor's assertion that he lacked the financial motive
15 as to the first scheme. This defendant --

16 THE COURT: I didn't say he lacked the financial
17 motive. I just said he lacked any financial benefits. I don't
18 see any money going into his pocket. He might have had a
19 financial motive, but that motive doesn't seem to have come to
20 fruition.

21 MR. JENKINS: And so that is where I would take
22 issue. It came to fruition because, immediately after
23 Defendant Chan left city service, he immediately went to an
24 extremely lucrative consulting business consulting on some of
25 these exact same projects. So not only did he have a financial

1 motive, he had a financial gain after he left the City which is
2 why the City employs strict ethics rules to prevent exactly
3 what Defendant Chan did. But more directly --

4 THE COURT: I understand that. Basically, if
5 I'm -- if my memory of my notes are correct, he ends up with --
6 who does he end up in business with? Let me just ask you.

7 MR. JENKINS: Yes. Racketeering admitted
8 co-conspirator George Chiang who he formed a company with while
9 he --

10 THE COURT: That's C-h-i-a-n-g; right?

11 MR. JENKINS: That is correct, Your Honor.

12 THE COURT: All right. So he leaves -- retires
13 from the City in July of 2017.

14 MR. JENKINS: Correct.

15 THE COURT: And then he joins up with
16 Mr. George Chiang. I assume that there is nothing improper or
17 illegal with respect to Mr. Chan's receiving compensation for
18 acting as a lobbyist or as a consultant for any of the
19 developers that are alleged as part of this RICO conspiracy if
20 he's no longer employed by the City. He's free to earn a
21 living.

22 MR. JENKINS: He's free to earn a living but not
23 in the way Your Honor just described.

24 THE COURT: Okay.

25 MR. JENKINS: Number one --

1 THE COURT: Why is it illegal or improper for
2 Mr. Chan to earn a living after he -- as a consultant or as a
3 lobbyist for various developers after he leaves the employ of
4 the City in July of 2017?

5 MR. JENKINS: For multiple reasons, and I would
6 say for the reason that this Indictment outlines is that the
7 City renewed an individual --

8 THE REPORTER: Counsel, you just broke up a
9 little for me. Can you please repeat?

10 MR. JENKINS: Yes, madam court reporter.

11 The City ethics prevents exactly what this
12 Indictment outlines as a corrupt relationship meaning that City
13 ethics is concerned that, while individuals are working for the
14 City, they're secretly actually working to benefit their future
15 employment for future developers. Accordingly, they have
16 ethics rules that Defendant Chan, a career civil servant,
17 received annual training at least on provisions that would bar
18 him from lobbying even through third party entities or agents,
19 city officials after he left government employment.

20 Moreover, he was permanently --

21 THE COURT: But that bar doesn't last forever.

22 MR. JENKINS: It lasts for a year. And then
23 additionally there is a permanent, which does last forever, ban
24 against city employees who personally participated in a project
25 meaning they worked on a specific project. For example,

1 Defendant Chan worked significantly, as the Court pointed out,
2 to help Hazens because, as the Court pointed out, he wanted to
3 help Chinese development companies. All of that, okay.
4 However, according to the ethics rules, because he
5 substantially participated in helping Hazens, he would be
6 forever precluded from taking payment from Hazens to lobby city
7 officials.

8 And the whole reason is, again, exactly what one
9 of the outlines of this Indictment, that Defendant Chan was
10 actually, while working for the City, also working for himself.
11 From George Chiang the allegation is that he did agree to take
12 a bribe, bribes that were ultimately paid after he left the
13 City, bribes that totaled over \$100,000. But Defendant Chan,
14 being a sophisticated person, did not take money before that
15 time period, but he agreed to take it as alleged in the
16 Indictment. Ultimately he did take it. And, moreover, by any
17 standard, he violated multiple City ethics rules after he left
18 the city to achieve this purpose which again --

19 THE COURT: Those are the allegations in overt
20 acts 203, 204, and 205 where George Chiang accepted from
21 Mr. Yuan the \$100,000 check as the bonus payment for Synergy,
22 which I don't understand what Synergy is, for successfully
23 reaching the Planning Department Advisory Hearing that was
24 scheduled in May of 2017. And then there was a conversation
25 between Mr. Chan, the defendant, and Mr. George Chiang about

1 getting his share, which apparently is \$20,000, and Mr. Chan
2 said, no, he wanted to wait because he expected there was going
3 to be larger payments.

4 It looks like the timing of this was such that --
5 this was in May of 2017. Mr. Chan, recognizing his ethical
6 obligations or -- in any event, strike that. Mr. Chan,
7 recognizing that it probably didn't -- he should wait until
8 after he left L.A. and the city employment in July of 2017. So
9 he's agreeing with his future employer or partner that,
10 whatever monies are coming, let's wait. I don't want to see
11 those monies until after I have left the city employment.

12 MR. JENKINS: Yes, sir.

13 THE COURT: Is that the Government's theory?

14 MR. JENKINS: That is the Government's theory as
15 supported by the evidence.

16 THE COURT: What is the Synergy just briefly?
17 Because I don't understand the Synergy. You started overt act
18 No. 195 with the -- with Synergy, and somehow -- and I don't
19 know what Synergy is. Somehow Synergy is taking over the
20 Luxe Hotel project with George Chiang and another consultant.
21 I don't understand that. Can you explain it to me?

22 MR. JENKINS: Certainly, Your Honor.

23 George Chiang, again, admitted co-conspirator in
24 this enterprise --

25 THE COURT: He's testifying on behalf of the

1 Government in this case?

2 MR. JENKINS: That is correct. Yes. He is one
3 of the individuals that testified in exchange for potential
4 leniency at sentencing.

5 THE COURT: Okay.

6 MR. JENKINS: He was the sole owner of Synergy
7 which was essentially a political consulting firm, essentially
8 real estate consulting.

9 THE COURT: Okay.

10 MR. JENKINS: At the time Defendant Chan and
11 George Chiang also had a professional and personal
12 relationship, meaning they knew each other. And while
13 Defendant Chan was in the City, George Chiang was at Synergy.
14 They developed a plan that, when Defendant Chan would leave the
15 City, they would form a new consulting group focusing on
16 Chinese development companies with which they both had
17 connections and levels of expertise. They would form this
18 company.

19 The company they did form and agreed to form was
20 CCC. So three C's -- Chiang Chan Chan. So Synergy was sort of
21 the predecessor to what becomes CCC once Defendant Chan left
22 the city employment.

23 THE COURT: I see. So Synergy is basically a
24 consultant. And when you allege in 196 it is taking over the
25 Luxe Hotel project, it is taking over as a consultant. It's

1 not taking over the project somehow and in any other fashion.

2 MR. JENKINS: That is correct, Your Honor.

3 THE COURT: So they're replacing the prior
4 consultant for Luxe Hotel project with Synergy which is a
5 George Chiang company which Mr. Chan is aware of. Now I
6 understand it. The thing was so artfully worded I couldn't
7 figure out what "taking it over" meant.

8 MR. JENKINS: Understood.

9 THE COURT: All right. I interrupted you. So
10 you've got these payments that are being made by the
11 Luxe Hotel. And -- these, I assume, are going to be argued by
12 the defense as consulting fees. And, in fact, in overt act 203
13 you have alleged that George Chiang accepted a \$100,000 check
14 for his bonus payment for Synergy, the consulting firm,
15 successfully reaching the Planning Department Advisory Hearing
16 scheduled for May 24, 2017.

17 So I take it there is nothing improper about the
18 Luxe Hotel principals paying consulting fees for moving this
19 particular project closer to completion or at least approvals
20 in the Planning Department. Is there something improper about
21 that?

22 MR. JENKINS: No, Your Honor. That alone is,
23 again, George Chiang doing George Chiang's job as a consultant
24 and the entity trying to utilize George Chiang. So that alone,
25 no. Again, what --

1 THE COURT: Okay. So basically your theory is
2 that Mr. Chan committed certain ethical violations when the --
3 when he left the City in July of 2017 by acting as a consultant
4 to certain of these developers during the relevant time period
5 and acting as a consultant for certain of the developers of
6 which he would -- there was a lifetime ban because he worked on
7 these projects while he was employed by the City.

8 MR. JENKINS: Two points of clarification. The
9 ethical violations are limited to lobbying meaning that you
10 have to lobby a city official, essentially try to get a city
11 official to make a decision to favor his client which we
12 believe he did. That is the ethical violation. But the
13 ethical violations mainly shows, in the Government's view, the
14 corrupt intent by Defendant Chan, Co-defendant Chiang because
15 the agreement was while Defendant Chan was a city employee. It
16 is not an ethical violation here. It is alleged to be a
17 bribery agreement.

18 THE COURT: So is Mr. Huizar involved in this
19 bribery scheme?

20 MR. JENKINS: He is involved sort of by the other
21 side, Your Honor, meaning that this -- here the conspiracy is
22 between George Chiang and Defendant Chan that they would
23 through bribery, meaning -- at this point Defendant Chan
24 actually is in the City. So the person George Chiang wants to
25 bribe here is Defendant Chan, the city employee, the person who

1 is in charge of development, the person who is the gatekeeper
2 to Jose Huizar.

3 If Defendant Chiang got Defendant Chan to help
4 the Hazens project, the company for which he just took over,
5 Synergy, George Chiang's company just took over for the
6 chairman who was very upset about the slowness of the process,
7 he gets onboard, needs to get the job done. He has his friend
8 Defendant Chan and says, Defendant Chan, this would be a great
9 idea. We can make this project go through. Let's agree to
10 share these consulting fees which the Government alleges are
11 transformed into bribe payments to Defendant Chan.

12 THE COURT: All right. So you've got an
13 allegation at page 53. The heading we have been talking about,
14 benefits from George Chiang to Defendant Chan in exchange for
15 his official acts. So what were the official acts that
16 Mr. Chan participated in or -- in exchange for the benefits
17 received from Mr. Chiang?

18 MR. JENKINS: Yes, Your Honor. The official acts
19 that Defendant Chan is alleged to have taken in furtherance of
20 this bribery scheme where he was the recipient of the bribe
21 come essentially in two forms. Under *McDonnell*, the
22 Supreme Court case defining what an official act is, it makes
23 clear that, if a city official pressures another city official
24 to take action, that is an official act. So here as alleged
25 in -- I will point to the one that is right in front of me,

1 overt act 202, and that's on page --

2 THE COURT: I have it.

3 MR. JENKINS: Okay. We allege that as an overt
4 act because it is Defendant Chan in his capacity as deputy
5 mayor exerting pressure over a mayoral appointed public
6 official urging a planning commission official to take official
7 action. Here essentially, again, it is Defendant Chan who was
8 appointed by the mayor, reaches out to a subordinate committee
9 whose job it is --

10 THE COURT: How are you going to prove it? Are
11 you going to have the -- I mean, it's one -- exerting pressure
12 over and urge the planning commission official to approve,
13 isn't that something that is normally done?

14 MR. JENKINS: It's normally done, but it's
15 illegal, as normal however as it is, if you take money to do
16 it. And, yes, planning commission official 1 will testify that
17 he was advocated -- that Defendant Chan advocated that he take
18 this action. He will also testify that it was unusual that
19 Defendant Chan was taking such a personal interest in this
20 particular matter.

21 THE COURT: Would this planning official No. 1
22 testify that he wouldn't have approved the Luxe Hotel project
23 if it hadn't been for the, quote, "exerted pressure" exerted by
24 Defendant Chan?

25 MR. JENKINS: I don't know the answer off the top

1 of my head except legally our answer is that answer is
2 irrelevant because, regardless of whether it was the best
3 decision possible, the fact that Defendant Chan agreed to take
4 the money to exert that pressure makes it a federal crime.

5 THE COURT: Okay. All right. Is there any
6 other -- there's other acts, but I think, given the time
7 constraints this morning, unless the Government wants to add
8 anything, let's move to Project M which is still masked.

9 Is Mr. Chan involved in the Project M bribery
10 scheme?

11 MR. JENKINS: He is not, Your Honor. But if I
12 could briefly take your invitation just for a second. The
13 additional thing we would add -- because clearly the Court's
14 questions we take well. The additional specific acts that
15 Defendant Chan is alleged to have taken on his own was -- and
16 he agreed to request a \$100,000 PAC payment that would go from
17 Chairman Yuan, the Hazens chairman, to Defendant Huizar's wife
18 who was running at that point to succeed him. And the
19 allegation there is that was in exchange for Defendant Huizar's
20 assistance with the Luxe Hotel project.

21 So for the time frame this is now --
22 Defendant Chan is in his private capacity. So he's outside of
23 the City. He's working, again, we think violating ethics
24 rules, but he's working as a consultant for Hazens, the project
25 we have been talking about. Chairman Yuan, his -- the person

1 he has the relationship with, still needs his project done, and
2 the allegation is that, for Defendant Huizar's request for
3 \$100,000 to this PAC for his wife, Defendant Huizar would then
4 further help the Hazens project.

5 So that is just another specific incident that we
6 allege shows a continuing theme and scheme of Defendant Chan
7 being the -- not just aider and abetter but one of the
8 individuals who was creating bribery arrangements between
9 Defendant Huizar and others.

10 THE COURT: All right. So Mr. Chan is not
11 involved in the project and bribery scheme.

12 And the last scheme is Businessperson A, and he's
13 the cabinetmaker that decided to work with the Government, work
14 with the FBI starting sometime in March of 2018?

15 MR. JENKINS: That --

16 THE COURT: Mr. Chan, is there any -- is it the
17 Government's theory that Mr. Chan is involved with
18 Businessperson A?

19 MR. JENKINS: Yes. I believe August 2017 is when
20 Businessperson A, AKA, the cabinetmaker, began working with the
21 FBI. That Businessperson A is involved in the Indictment and
22 various schemes. I will focus just on the ones where
23 Defendant Chan is alleged to have participated.

24 The eye level view is that Defendant Chan,
25 consistent with the evidence, that he was one of the

1 individuals trying to essentially create bribery opportunities
2 in order to further -- at this point he's outside of the City.
3 So Defendant Chan is trying to, in our view, now directly
4 benefit financially and professionally by being a consultant
5 who can get things done and by leveraging his relationship with
6 the City.

7 So Businessperson A, who is a wealthy
8 cabinetmaker, was utilized by Defendant Chan to provide
9 benefits through other city officials. For example, overt
10 act -- starting at overt act 221 --

11 THE COURT: 221?

12 MR. JENKINS: Correct, Your Honor. 221. This
13 one has the header "City commissioner's relative." So the city
14 commissioner is someone who, according to Defendant Chan's own
15 chart, the chart that he had on his computer that was titled
16 "People to influence," on that people to influence there are
17 such individuals like Defendant Huizar who we obviously believe
18 was one of the main individuals that Defendant Chan --

19 THE REPORTER: Counsel, you froze up on me.

20 MR. JENKINS: No problem. Thank you, madam court
21 reporter.

22 That Defendant Chan sought to bribe or facilitate
23 bribes to. In addition to Defendant Huizar, by
24 Defendant Chan's own admission or acknowledgment, another city
25 official that he sought to influence is City Commissioner 1

1 whose name is masked. This individual's position was another
2 city position who could help facilitate entitlements or real
3 estate development projects.

4 The scheme that is alleged beginning at overt
5 act 221 in summary was that Defendant Chan was the architect of
6 a payment arrangement by which City Commissioner 1's wife would
7 be paid by Businessperson A for some form of vague employment
8 meaning it was not exactly clear what she would do. The
9 point, at least as will be testified to by Businessperson A as
10 corroborated by the recorded interactions with Defendant Chan,
11 the point really was to curry favor with City Commissioner 1
12 through these payments.

13 So Businessperson A, in fact, did hire
14 City Commissioner 1's wife and ultimately paid her over a
15 period of four months \$16,000. Businessperson A will testify,
16 as corroborated by recorded conversations with Defendant Chan,
17 that the only reason he hired this person was at the direction
18 of Defendant Chan and to benefit the relationship with
19 City Commissioner 1 was a person Defendant Chan was seeking to
20 influence at the time.

21 THE COURT: This was all after Mr. Chan left the
22 employment of the City?

23 MR. JENKINS: Correct.

24 THE COURT: These are all in April, May 2018?

25 MR. JENKINS: Correct. At this point he's

1 alleged to be the briber. He was previously the bribee. He
2 was previously before that a bribe facilitator. He is alleged
3 to be a bribe facilitator, a bribe recipient, and a briber
4 throughout the years all for the goal of increasing development
5 projects and his financial interest as essentially being a
6 go-to person for development projects in Downtown L.A.

7 In addition, consistent with the -- our view of
8 the evidence that Defendant Chan would find surreptitious ways
9 to pay city officials, overt act 234 describes another secret
10 payment arrangement using a family member, this time a City
11 Staffer A-2, overt act 234 on page 61.

12 City Staffer A-2 was a significant senior
13 official on Defendant Huizar's staff, someone who had
14 significant influence over all of the planning projects, not
15 just CD-14 which the vast majority of the projects were going
16 through, but this individual also had oversight over all the
17 projects in the city because, in Defendant Huizar's capacity as
18 chair for the Planning & Land Use Management, Defendant Huizar
19 would oversee all the projects across the city. So would this
20 City Staffer A-2.

21 THE COURT: You closed a loop on that. That is
22 covered in overt act No. 450 and overt act No. 451 with the
23 heading of Defendant Chan's attempt to witness tamper, and that
24 is in November of 2018 he, according to the Indictment, drafted
25 a document that he later provided to Businessperson A which

1 appeared to serve as the script for Businessperson A's
2 summarizing Defendant Chan's version of the facts regarding
3 Chan's plan of Businessperson A paid City Staffer A-2 a
4 finder's fee, and it goes on to describe the script.

5 I take it that the Government has that script
6 that was provided to Businessman A?

7 MR. JENKINS: We do, Your Honor.

8 THE COURT: And then, of course -- was this --
9 were these meetings -- because by this time it appears that
10 Businessperson A -- and that's why my notes reflected November
11 of 2018 -- he was obviously working for the bureau prior to
12 that, but at least November 2018 as working for the FBI, were
13 these conversations recorded?

14 MR. JENKINS: Yes, Your Honor. All those
15 interactions are recorded including the ones you just
16 described.

17 THE COURT: Okay. So the -- when Mr. Chan,
18 according to the Government's theory, changes hats from a
19 bribee to a briber, this is one of what the Government would
20 characterize as the smoking gun transaction which has evidence
21 of the actual consulting fees that were paid and then
22 Mr. Chan's efforts to cover those up by providing this script
23 to Businessperson A?

24 MR. JENKINS: We would certainly describe that as
25 very direct evidence of a corrupt intent of a bribery scheme

1 and consistent with all the other evidence that is alleged that
2 he participated in.

3 THE COURT: So you disagree it was the smoking
4 gun?

5 MR. JENKINS: I don't want to overstate anything
6 and describe it as a smoking gun, but we are certainly
7 confident that it informs our view of the defendant.

8 THE COURT: Okay. Let's move to the substantive
9 counts. Count 28 -- let's first take count number -- Count 29
10 which is the false statement which is also covered by overt act
11 No. 452, and that's the -- on November 7, 2018, recorded
12 interview.

13 Who was present during the course of that
14 interview on November 7th? You have alleged that he made
15 various false statements to the FBI, the first of which that he
16 was not involved and had no involvement in the settlement of
17 Defendant Huizar's 2013 sexual harassment lawsuit. And we
18 talked about the evidence with respect to that. And, B, the
19 false statement relates to Chairman Huang, H-u-a-n-g, doesn't
20 have anything in front of Jose Huizar's district but needs
21 Huizar's help or involvement. And then the third is that Yuan
22 never asked Huizar for anything including help on the hotel.

23 I understand how the Government -- I think I
24 understand how the Government intends to prove those statements
25 are false. But was anybody else -- who participated in this

1 November 7th interview?

2 MR. JENKINS: Yes, Your Honor. And it's now 39.
3 The interview was conducted by FBI Special Agents
4 Terri Tampubolon and Heath Smally who the interview was
5 recorded. There is a transcript that has been provided --
6 excuse me -- a transcript that has been created and that will
7 be primary evidence, the witnesses in that report.

8 THE COURT: Was he represented by counsel?

9 MR. JENKINS: Not at that time, Your Honor.

10 THE COURT: Okay. The reason I ask is I remember
11 from your -- our discussion with respect to Mr. Huizar that
12 there were various interviews that were conducted that
13 Mr. Huizar was represented by counsel. I guess my question is,
14 with respect to Mr. Chan, was there any proffer sessions or any
15 statements made by Mr. Chan during the time that he was -- that
16 counsel was present?

17 MR. JENKINS: No, Your Honor. He declined after
18 counsel was retained.

19 THE COURT: Okay. So the only -- the only
20 interview was the November 7, 2018, interview, and that was
21 prior to retaining counsel, and that forms the basis of the
22 false statement. So there's no other statements that would be
23 involved in this case either -- other than during the course of
24 the conspiracy. No post-arrest statements.

25 MR. JENKINS: There is an additional -- he wasn't

1 arrested, to be clear, at the time of November 7th. Also, the
2 next day, November 8th, 2018, Defendant Chan voluntarily
3 reached back out to Special Agent Tampubolon to further discuss
4 the topics that were discussed the prior day.

5 THE COURT: And did he continue to lie allegedly?

6 MR. JENKINS: We believe he provided incomplete
7 and misleading information, but it is not presently the subject
8 of any charges. But we intend to admit evidence from it to
9 show a further misleading intent at minimum.

10 In addition, there is an additional interview
11 conducted at Defendant Chan's -- the CCC business that he had
12 with co-defendant George Chiang. There was an interview of him
13 by Special Agent Andy Civetti. So this is when Defendant Chan
14 essentially was in private practice in his private capacity.
15 There's an interview done there. But I do not believe any
16 charge would result from that interview.

17 The only significant evidence, at least now that
18 is alleged in the Indictment related to that interview, is
19 that, immediately after Special Agent Civetti and the other
20 special agent left the interview and Defendant Chan's personal
21 private business office, he immediately went to the chairs, as
22 alleged in the Indictment, appears to have looked for
23 surveillance equipment on the chairs which we thought would be
24 significant. But that is essentially the only conduct from
25 that interview that is alleged in the Indictment.

1 THE COURT: All right. Are there any searches
2 that were conducted that resulted in the seizure of any
3 property from Mr. Chan?

4 MR. JENKINS: Yes, Your Honor. The Government
5 seized -- searched and seized evidence from the CCC business
6 that is George Chiang and Defendant Chan's business. Most
7 significantly these searches were digital meaning
8 Defendant Chan's e-mails, his phone from which there was
9 significant evidence or at least a volume of evidence that was
10 seized and is available -- will be available in digital format.

11 The most significant pieces of evidence are
12 alleged in the Indictment meaning there are e-mail
13 communications, text communications, the Google drive which
14 contains the people to influence chart. Those are the evidence
15 in terms of things that were seized where they were derived
16 from.

17 THE COURT: Were any of Mr. Chan's calls
18 intercepted by the Government?

19 MR. JENKINS: Yes, Your Honor. Defendant Chan
20 was the subject of one of the wiretap affidavits in this case.
21 So he was intercepted for a period. The estimate is that there
22 were -- I think the best way to describe it is how many line
23 sheets or pages of line sheets. So that would be pertinent for
24 recordings intercepted. There's approximately 1,600 pages of
25 line sheets which again are pretty -- they're not verbatim

1 transcripts, but the FBI did a pretty outstanding job -- so
2 there's pretty close to it, or summaries, or if it's a text
3 message, it's simply the text message.

4 In addition, as alluded to by my prior comment,
5 there was an audiovisual bug -- bugs installed in the CCC
6 office surreptitiously by the Government pursuant to court
7 order. So there are recorded audio and recorded video from
8 those bugs.

9 THE COURT: What office is that?

10 MR. JENKINS: We call it the CCC office. It was
11 formerly the Synergy office. These are the consulting
12 companies first owned by George Chiang, and then when
13 Defendant Chan teamed with George Chiang, they used the same
14 office. It's an office in Downtown L.A. for their consulting
15 firm.

16 THE COURT: Okay. The ultimate -- the LABXG,
17 which is alleged in paragraph 13 which was formed in August of
18 2017, is that -- is that -- you allege it as an Inc. Who owns
19 that company?

20 MR. JENKINS: Defendant Chan, Your Honor.

21 THE COURT: And is Mr. Chiang part of that
22 company?

23 MR. JENKINS: He is not as far as we know,
24 Your Honor.

25 THE COURT: Okay. So we talked about the

1 statements. We talked about the searches. We talked about the
2 wire intercept.

3 What is the status of producing the discovery to
4 Mr. Braun? I realize this case has just -- PIA took place on
5 Monday.

6 MR. JENKINS: That is correct, Your Honor. On
7 Tuesday or December 2nd, whichever day of the week that is, we
8 sent an e-mail to Defendant Chan's counsel Mr. Braun outlining
9 plans for discovery. So there is a stipulation for a
10 protective order. There is a draft transcript agreement. We
11 requested a hard drive from him. A significant portion of
12 discovery is essentially ready, but it will take some time to
13 upload it to a hard drive once we receive it from Mr. Braun.
14 So we sent an e-mail, made a request to meet with him to see
15 the most efficient way forward.

16 So presumably Mr. Braun is here, so we can have
17 that conversation at some point soon to get that process
18 rolling. But it is in large part substantially done or ready
19 to be done.

20 THE COURT: Is the discovery as voluminous as the
21 discovery in Mr. Huizar's case, or is there more or less or
22 about the same?

23 MR. JENKINS: I would say more so because it
24 includes all of the same evidence because ultimately the
25 racketeering charge is alleged against them both. The conduct

1 therein is overlapping. In addition, there is Defendant Chan's
2 specific recordings, for example, and other individual things
3 that weren't provided to Defendant Huizar at this point but
4 would be provided to Defendant Chan.

5 And, in addition, there's a couple additional
6 items such as Defendant Chan's actual wiretaps that need to be
7 processed and provided. But discovery will be voluminous.

8 THE COURT: And the Title III applications have
9 all been unsealed because my memory is they were produced to
10 counsel for Mr. Huizar.

11 MR. JENKINS: All the ones relevant to this
12 charged case, yes, Your Honor.

13 THE COURT: Okay. So those are available for
14 Mr. Braun.

15 MR. JENKINS: Yes, Your Honor. They will be.

16 THE COURT: Does the Government have any
17 intention of adding any additional -- filing a second
18 Superseding Indictment adding any defendants or any additional
19 charges?

20 MR. JENKINS: The investigation is ongoing,
21 Your Honor. However, I would say at this point the most
22 significant foreseeable charges have been brought. So if I
23 could -- if the Court would indulge my hedging on this
24 question, it is an ongoing investigation. Whether that results
25 in a Superseding Indictment in this case or a new Indictment in

1 a separate case or none of the above, it's difficult to tell.
2 But at this point, Your Honor, a significant portion of the
3 evidence has been reviewed, and we believe the appropriate
4 charges on defendant have been brought.

5 THE COURT: All right. The last question I have
6 is on the forfeiture counts. I know we -- we had a discussion
7 on forfeiture allegations in the original Indictment. Is there
8 any specific property that the Government is seeking to forfeit
9 with respect to Mr. Chan?

10 MR. JENKINS: There is no specific property
11 identified right now to Defendant Chan, no.

12 THE COURT: Okay. Mr. Braun, I didn't mean to
13 exclude you from any of our discussion this morning, but I
14 realize that you're -- you have -- there's a lot of material
15 to -- for you to look at.

16 My question for you is the dates that have been
17 set in this case -- and I will issue today a Criminal Trial
18 Order, today or Monday. But we have a trial date that was
19 agreed to by Mr. Huizar's counsel and the Government of June
20 22nd of 2021, and there are various deadlines to file pretrial
21 motions, all of which are set forth in docket No. 63. I don't
22 know if you have had time to look at those dates and, more
23 importantly, whether or not you believe that you can work
24 within those -- within those dates. I realize you're at
25 somewhat of a disadvantage because you haven't had the benefit

1 of any discovery, but I wanted to get your thoughts on that.

2 MR. BRAUN: Yes, Your Honor. I just received
3 notice over Thanksgiving, Sunday, that this case was being
4 indicted for my client to show up. I guess they had a press
5 release they wanted to beat. So I didn't have anything. But I
6 actually have another case involving a Chinese student in
7 custody pending in front of Judge Fitzgerald that we're trying
8 to take a deposition of a material witness. To be blunt, that
9 case has priority.

10 But I have been doing some background work on
11 this case anyway over the last number of months. Perhaps --
12 there's obviously no way we could be ready before that June
13 trial date. Maybe we could schedule another status, say, in 60
14 to 90 days. That way we will have a better idea of what the
15 discovery is.

16 THE COURT: I'm sorry. Your other case is in
17 front of which judge?

18 MR. BRAUN: Judge Fitzgerald, Michael Fitzgerald.

19 THE COURT: Judge Fitzgerald. Okay. What I'm
20 going to suggest is -- obviously I don't expect you to be
21 committed to these dates today, but we have got two other
22 groups of defendants. We have got Chairman Huang, and we have
23 got Mr. Lee. So it seems to me what makes sense is to have
24 another hearing -- I don't know if I need another Trial Setting
25 Conference with respect to those defendants although it may be

1 helpful. When is the PIA set for the other defendants?

2 MR. JENKINS: Next Monday, December 7th, PIA for
3 Defendant Lee who is charged in a separate scheme that we did
4 not discuss. To the point of whether an additional trial
5 setting will be necessary potentially for Defendant Lee and his
6 LLC, those are both December 7th. Subsequently, December 14,
7 the following Monday, the PIA and initial appearance for
8 Shen Zen Company, that is, the Chairman Wei Huang's company, is
9 scheduled to make their appearance on December 14. I would
10 also note that counsel for Defendant Huang has indicated that
11 his client does not intend to appear. His client is currently
12 in China and has respectfully declined our invitation to appear
13 on this Indictment at this time.

14 THE COURT: I take it we are going to have
15 some -- the initiation of some process in order to bring him to
16 Los Angeles to stand trial?

17 MR. JENKINS: We are certainly exploring all our
18 options. He is in China which makes it a little more
19 difficult, but we are certainly not done with that defendant,
20 Your Honor. So we are exploring our options. And we are
21 negotiating with his counsel, and we are hopeful, perhaps not
22 optimistic, that potentially we can reach some resolution. I'm
23 not sure what resolution would be reached, but right now we
24 intend to let him know essentially he is a fugitive as of that
25 notice.

1 THE COURT: And the LLC, the Shen, S-h-e-n,
2 second word for the reporter is Z-h-e-n, New World One -- my
3 memory was -- I could be wrong -- there was another LLC which
4 was Shen, S-h-e-n, Zen, Z-e-n, Corporation which was a
5 California LLC which was somehow involved in this Indictment,
6 but is my memory correct or my notes correct that that LLC is a
7 separate entity from the New World, LLC, but owned by
8 Chairman Huang?

9 MR. JENKINS: I think you're right. Essentially
10 there is a Shen Zen New World Chinese mega-development company
11 and Shen Zen the Provence. There is also one of the domestic
12 subsidiaries, the formal name is Shen Zen One, LLC. That is
13 the domestic LLC that has been indicted in this case. And then
14 they do intend to appear through Richard Steingard on the 14th.

15 THE COURT: Is the New World One, LLC -- that is
16 the California LLC or Chinese mega-company?

17 MR. JENKINS: That is the domestic -- the LA LLC.

18 THE COURT: Okay. So -- all right. So I was
19 confused as to why you hadn't charged the domestic LLC, but
20 apparently you have charged that entity. So that entity is
21 going to appear, and that entity is represented by
22 Mr. Bruce Cohen?

23 MR. JENKINS: He is now represented by
24 Richard Steingard, S-t-e-i-n-g-a-r-d.

25 THE COURT: All right. And Chairman Huang is

1 represented by Kenneth Klein?

2 MR. JENKINS: Formerly Kenneth Klein, now
3 currently represented by Paul Meyer and Greg Wilke, W-i-l-k-e.

4 THE COURT: Your voice cut out.

5 The PIA for Mr. Lee and his LLC 940 Hill is for
6 December 7th. Did you indicate it would be worthwhile to have
7 a Trial Setting Conference, or you didn't think it was
8 necessary?

9 MR. JENKINS: We do believe it would be
10 appropriate and helpful for all parties and would be distinct
11 information that was not discussed today.

12 THE COURT: Okay. Then what I will do is -- if
13 the PIA is on Monday, then I will tell the PIA clerk to set up
14 a Trial Setting Conference for next week for Mr. Lee and Hill.
15 Is there any day that the Government is not going to be
16 available?

17 MR. JENKINS: We will make ourselves available.
18 We appreciate the offer. We are pretty open next week,
19 Your Honor.

20 THE COURT: All right. Well, I will then get PIA
21 a date. I will check my calendar for next week.

22 As I said, I think what makes sense is, once we
23 have all of the defendants making their -- let me ask you this.
24 The PIA for New World One, LLC, is there any reason to have a
25 Trial Setting Conference for the entity?

1 MR. JENKINS: For that one we do not think so
2 until the individual defendant appears.

3 THE COURT: Which the chances of that happening
4 are slim to none.

5 MR. JENKINS: I'm not a betting person, but I
6 don't disagree with that assessment.

7 THE COURT: Okay. Well, to the extent you're
8 going to -- you're going to use the process of a court to
9 secure Chairman Huang's appearance, I suggest that you initiate
10 that effort promptly because, whatever trial date we do set, I
11 am not going to continue the trial waiting for Mr. -- for
12 Chairman Huang to show up, and I certainly don't want to try
13 this case twice.

14 MR. JENKINS: Absolutely, Your Honor. We will do
15 so. Absolutely.

16 THE COURT: And you will keep the Court advised
17 as to whether or not you made a decision whether or not to try
18 to secure his attendance?

19 MR. JENKINS: Yes. We will apprise the Court as
20 soon as we make a decision as to what that process is.

21 THE COURT: So it seems to me, once we have
22 Mr. Lee on board, have conducted the Trial Setting Conference
23 next week, that maybe in early January counsel will get
24 together and meet and discuss the current dates that are set
25 forth in docket No. 63. To the extent that those dates need to

1 be changed, come up with a stipulation as to the acceptable
2 dates for everybody's calendars, and then we can go from there.

3 Does that make sense, Mr. Braun?

4 MR. BRAUN: Yes, Your Honor.

5 THE COURT: Mr. Jenkins, are you on board with
6 that?

7 MR. JENKINS: Yes, Your Honor. Thank you.

8 THE COURT: All right. I don't have anything
9 else. I appreciate --

10 MR. BRAUN: This is Harland Braun.

11 The Government got an order that my client -- and
12 I talked to his son about this case. I didn't pay much
13 attention to it at the time. His son is a lawyer, licensed to
14 practice in California. We intend to use him to help prepare
15 the case. I just assumed the Government didn't realize that he
16 was a lawyer when they got that order. But we intend to use
17 Jeremy Chan as an assistant to help prepare his father's case.
18 In that case, he will have to discuss the case with his father.

19 So I don't know if the Government is prepared to
20 concede that now or consider that problem. But I think my
21 client has a right under *Lopez Guzman* to an attorney of his
22 choice even if it is his own son. And I don't think there is
23 any evidence that the son was involved in any of these schemes.

24 THE COURT: I will let you take that up with the
25 Government. To the extent that it remains an issue, you can

1 file something with the Court.

2 MR. BRAUN: Yes, Your Honor.

3 MR. JENKINS: And just for the record,
4 Your Honor, the defendant's son is referenced in the First
5 Superseding Indictment which would create potential conflict.

6 THE COURT: Okay. Well, I will let you fine
7 lawyers work out the issues, and to the extent that you can't
8 work out the issues, I'm always here to make rulings.

9 MR. JENKINS: Understood.

10 MR. BRAUN: Thank you.

11 MR. JENKINS: Thank you very much.

12 THE COURT: All right. Everybody stay safe. I
13 don't know what's going to go on this week, but this is getting
14 to be --

15 MR. BRAUN: 2,700 people died yesterday,
16 Your Honor.

17 THE COURT: In any event, I just can't imagine
18 continuing this way until the spring of next year. Maybe we
19 will all be vaccinated by then.

20 MR. JENKINS: We hope.

21 MR. BRAUN: Or maybe like China everyone will put
22 on their mask.

23 THE COURT: Right.

24 MR. BRAUN: People have a problem doing that.

25 THE COURT: All right. Well, in any event, stay

1 safe, and have a good weekend.

2 MR. BRAUN: Thank you.

3 MR. JENKINS: Thank you, Your Honor. You as
4 well.

5 THE DEFENDANT: Thank you.

6 THE COURT: All right. Unless there's anything
7 else, we will now close the record. Anything else from the
8 Government?

9 MR. JENKINS: Nothing from the Government. Thank
10 you, Your Honor.

11 Thank you, madam court reporter.

12 THE COURT: Anything else from Mr. Braun?

13 MR. BRAUN: No, Your Honor.

14 THE COURT: All right. Then the record will be
15 closed.

16 (Proceedings concluded at 9:48 a.m.)

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1 CERTIFICATE OF OFFICIAL REPORTER

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5 I, MIRANDA ALGORRI, FEDERAL OFFICIAL REALTIME

6 COURT REPORTER, IN AND FOR THE UNITED STATES DISTRICT COURT FOR

7 THE CENTRAL DISTRICT OF CALIFORNIA, DO HEREBY CERTIFY THAT

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19 _____
MIRANDA ALGORRI, CSR NO. 12743, CRR
20 FEDERAL OFFICIAL COURT REPORTER

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